Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In re Applications of)	
)	
AT&T INC. and CELLCO PARTNERSHIP)	WT Docket No. 09-104
D/B/A VERIZON WIRELESS)	DA 09-1350
)	
For Consent to Assign or Transfer Control of)	File Nos. 0003840313 et al.
Licenses and Authorizations and to Modify a)	
Spectrum Leasing Arrangement)	

REPLY OF CELLULAR SOUTH, INC. TO JOINT OPPOSITION TO PETITIONS TO DENY OR TO CONDITION CONSENT

RUSSELL D. LUKAS DAVID L. NACE LUKAS, NACE, GUTIERREZ & SACHS, LLP 1650 Tysons Blvd., Suite 1500 McLean, VA 22102 (703) 584- 8678

Attorneys for Cellular South, Inc.

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SUMMARY

In November 2008, the Commission granted 88 applications for its consent to the merger of Cellco Partnership d/b/a Verizon Wireless ("VZW") and ALLTEL Corporation ("ALLTEL"). But in the case of 19 of those applications, the Commission found that VZW could not hold all the licenses it proposed to acquire. It found that the grant of the applications as proposed would likely cause "significant competitive harm" in 105 Cellular Market Areas ("CMAs"). That finding triggered the Commission's obligation to designate those 19 applications for hearing. The Commission avoided the requisite hearing by unlawfully granting the 19 applications on the condition that VZW neither consummate the transaction as proposed nor exercise the rights conferred on it by the Commission's action. Having been allowed to escape a hearing on its purchase of the former ALLTEL systems in 65 CMAs, VZW wants to avoid a hearing on its proposed sale of those properties to AT&T Inc. ("AT&T"). Cellular South, Inc. ("Cellular South") asks the Commission to remedy its failure to hold a hearing on VZW's applications to acquire the former ALLTEL licenses by holding a hearing on VZW's qualifications to sell them to AT&T.

On July 20, 2009, Cellular South asked the Wireless Telecommunications Bureau ("WTB") to reconsider its decision to entertain *ex parte* presentations in this proceeding. Because the WTB's decision to entertain *ex parte* presentations threatens the integrity of the Commission's decision-making process in this proceeding, Cellular South asked the WTB to expedite its reconsideration of the matter. No party has opposed Cellular South's petition for reconsideration. While the WTB has had the matter under reconsideration, *ex parte* presentations have been made that were directed to the merits or outcome of the proceeding. Consequently, the Commission must address the issues of whether its decision-making process

was tainted by the *ex parte* presentations, or whether due process rights were otherwise violated, when it issues its decision in this case.

Rather than defending its practice of entering into handset exclusivity arrangements, AT&T refers the Commission to comments it submitted in various "industrywide proceedings." Because AT&T incorporated its pleadings in the "relevant rulemaking proceedings" into the record of this adjudication, the Commission should hold this case in abeyance until it completes its rulemakings on the issue of handset exclusivity arrangements. Such inaction would be appropriate considering that the Commission's action granting VZW's application to acquire the ALLTEL authorizations that it proposes to sell AT&T is not a final order.

VZW's applications for Commission consent to sell the former ALLTEL licenses to AT&T must undergo particularly strict scrutiny for trafficking, because VZW was never found qualified to hold the licenses it now proposes to resell. Cellular South's petition to deny contained specific allegations of fact that were sufficient to show that the grant of 19 of the 26 transfer applications would be prima facie inconsistent with the Commission's anti-trafficking rule. The petition contained the allegations that: (1) VZW obtained authorizations issued to ALLTEL to operate in 105 CMAs on the condition that it sell all or some of the authorizations; (2) VZW obtained those former ALLTEL authorizations on the condition that it could not control or operate the systems to provide telecommunications services to the public as proposed in its transfer applications; and (3) VZW is proposing to sell the former ALLTEL systems in 65 CMAs having never operated those systems to provide telecommunications services to the public. VZW and AT&T did not dispute those three allegations.

VZW has now disclosed that Morgan Stanley began to sell the "assets" that it would be required to divest in August 2008. The sale process was "officially launched" in October 2008.

By October 7, 2008, VZW had agreed to divest assets in 100 CMAs. Clearly, VZW had formed the intent to sell systems in 100 CMAs before the Commission granted the VZW/ALLTEL merger applications in November 2008. VZW obviously obtained the authorizations for all or some of the 100 CMAs for the principle purpose of reselling them rather than for providing telecommunications services to the public.

VZW apparently paid approximately \$28.1 billion for all of ALLTEL's wireless properties which served 13.1 million subscribers in 392 CMAs. It proposes to sell AT&T wireless systems serving approximately 1.5 million subscribers in 79 of those CMAs for \$2.35 billion in cash. Cellular South can estimate that AT&T is paying VZW a \$319.85 per-POP price for the 79 CMAs, but it cannot determine whether VZW stands to profit from the resale of the former ALLTEL properties in 65 of the CMAs. Only VZW has access to the facts necessary to make that determination. Rather than coming forward with a candid statement of the relevant facts, VZW stonewalled. It withheld: (1) the prices it paid for the ALLTEL assets in the 65 CMAs, (2) Morgan Stanley's November 2008 Confidential Information Memorandum, (3) the final bids that were received for the 65 CMAs, and (4) the prices AT&T has agreed to pay for the former ALLTEL assets in the 65 CMAs. By stonewalling the facts, VZW has left a substantial and material question of fact that must be resolved at hearing.

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REPLY OF CELLULAR SOUTH, INC. TO JOINT OPPOSITION TO PETITIONS TO DENY OR TO CONDITION CONSENT

Cellular South, Inc. ("Cellular South"), by its attorneys, hereby replies to the joint opposition filed by AT&T Inc. ("AT&T") and Cellco Partnership d/b/a Verizon Wireless ("VZW") to the petitions to deny filed with respect to the above-captioned applications ("Transfer Applications") by Cellular South and others. In reply thereto, the following is respectfully submitted:

I. THE COMMISSION MUST PASS ON CELLULAR SOUTH'S PETITION FOR RECONSIDERATION BEFORE ACTING ON THE TRANSFER APPLICATIONS

The Wireless Telecommunications Bureau ("WTB") has never had the authority to declare a Commission rule unconstitutional. Nevertheless, in 21st Century Telesis Joint Venture, 15 FCC Rcd 25113 (2000), reconsideration denied, 16 FCC Rcd 17257 (2001), the Commission refused to consider a claim that one of its rules was unconstitutional because the issue was first presented in a supplement to a petition for reconsideration by one of the WTB's divisions. See id., 15 FCC Rcd at 25113 n.4, 16 FCC Rcd at 17262-64. That draconian ruling was upheld on

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¹ See Joint Opposition of AT&T and VZW to Petitions to Deny or to Condition Consent and Reply to Comments, WT Docket No. 09-104 (July 30, 2009) ("Jt. Opp.").

appeal. See 21st Century Telesis Joint Venture v. FCC, 318 F.3d 192, 199-200 (D.C. Cir. 2003). Thus, the petitioner in 21st Century Telesis lost its right to administrative and judicial review because its constitutional claim was not presented initially in a petition for reconsideration by a WTB division that could not act on the claim. Aware of such precedent, Cellular South asked the WTB to reconsider its decision to entertain ex parte presentations in this proceeding despite the ban imposed on such presentations under § 1.1208 of the Commission's Rules ("Rules") and § 309(d) of the Communications Act of 1934, as amended ("Act").²

Cellular South asked for WTB reconsideration on July 20, 2009. Because the WTB's decision to entertain *ex parte* presentations threatens the integrity of the Commission's decision-making process in this proceeding, Cellular South asked the WTB to expedite its reconsideration of the matter.³ While the WTB has had the matter under reconsideration, *ex parte* presentations have been made that were directed to the merits or outcome of the proceeding.⁴ Consequently, the Commission must address the issues of whether its decision-making process was tainted by the *ex parte* presentations or whether due process rights were otherwise violated. *See generally Press Broadcasting Co., Inc. v. FCC*, 59 F.3d 1365, 1369 (D.C. Cir. 1995).

No party formally opposed Cellular South's petition for reconsideration. However, in the margin of their opposition to Cellular South's petition to deny, AT&T and VZW ask that the Commission dismiss the petition for WTB reconsideration because it rejected "similar claims" made by Cellular South in *Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings*

² See Petition for Expedited Reconsideration, WT Docket No. 09-104, at 4-14 (July 20, 2009) ("Recon. Pet.").

³ *See id.* at 5-6.

⁴ The docket already includes *ex parte* presentations that would have been prohibited under § 1.1208 of the Rules. *See infra* Ex. 1, at 2, 5. Moreover, at least one party has filed substantive comments on the Transfer Applications without serving the other parties. *See* Reply Comments of Sprint Nextel Corporation, WT Docket No. 09-104 (Aug. 6, 2009).

LLC, 23 FCC Rcd 17444 (2008) ("*VZW/ALLTEL*") and "made it clear" that the WTB has the authority under § 1.1200(a) of the Rules to "assign the permit-but-disclose procedures to a merger proceeding." Jt. Opp., at 2 n.2.⁵ Needless to say, VZW and AT&T cannot oppose a petition for WTB reconsideration in a footnote in a pleading directed to the Commission.

The purpose of § 405 of the Act is to "afford the Commission the initial opportunity of correcting any errors, considering any newly discovered evidence, and generally passing upon all matters prior to their presentation to a reviewing court." *Action for Children's Television v. FCC*, 564 F.2d 458, 468-69 (D.C. Cir. 1977). Cellular South has given the WTB the initial opportunity to correct its error. Should it not want to be heard on the matter, the WTB is free to refer consideration of Cellular South's petition for reconsideration to the Commission. All Cellular South asks is that the Commission consider the due process issues when it takes up the Transfer Applications.

In order to preserve its due process arguments for appeal, Cellular South need only give the Commission a fair opportunity to pass on the issues. *See, e.g., Time Warner Entertainment Co., L.P. v. FCC*, 144 F.3d 75, 79 (D.C. Cir. 1998); 47 U.S.C. § 405(a). If the Commission ultimately elects not to take the opportunity to reform its process, Cellular South will be free to seek judicial reformation.

⁵ Cellular South also asked the WTB to reconsider its practice of issuing anticipatory protective orders in adjudicatory proceedings governed by §§ 309(d) and 310(d) of the Act. *See* Recon. Pet., at 14-21. Cellular South argued that the practice is grossly inconsistent with the Freedom of Information Act ("FOIA"), Title III licensing procedures, § 0.459(a) of the Rules, and the policy adopted by the Commission in *Examination of Current Policy Concerning the Treatment of Confidential Information Submitted to the Commission*, 13 FCC Rcd 24816 (1998), *reconsideration denied*, 14 FCC Rcd 20128 (1999). *See id.* at 18. Cellular South made no such claims in *VZW/ALLTEL*. AT&T and VZW responded to the FOIA claim, albeit in conclusory fashion. *See* Jt. Opp., at 2 n.2.

II. THE COMMISSION SHOULD WITHHOLD ACTION PENDING RESOLUTION OF THE INVESTIGATION OF EXCLUSIVE HANDSET ARRANGEMENTS

Unlike VZW, AT&T has shown no willingness to reduce the length of its exclusive dealing arrangements with manufacturers of wireless devices. In this proceeding, AT&T hides behind what it claims is "the Commission's longstanding policy of 'not considering arguments in transaction proceedings that are better addressed in other Commission proceedings' and of not 'imposing conditions to remedy pre-existing harms or harms that are unrelated to the transaction." If that longstanding policy still survives, it is currently more honored in the breach. As Cellular South has shown, VZW acquired most of the licenses that it proposes to sell AT&T by accepting three Commission-imposed conditions that were unrelated to the VZW/ALLTEL transaction. Two of the conditions not only were matters under consideration in other proceedings, but their imposition prejudged issues under consideration in two rulemakings.

Rather than defending its practice of entering into handset exclusivity arrangements, AT&T refers the Commission to comments it submitted in various "industrywide proceedings." *See* Jt. Opp., at 28-29 & n.105. Because AT&T incorporated its pleadings in the "relevant rulemaking proceedings" into the record of this adjudication, *see id.* at 29 n.106, the Commission should hold this case in abeyance until it completes its rulemakings on the issue of handset

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 $^{^6}$ Jt. Opp., at 28 (quoting *McCaw and AT&T Co.*, 9 FCC Rcd 5836, 5904 (1994) and *VZW/ALLTEL*, 23 FCC Rcd at 17463) (internal punctuation and footnotes omitted).

⁷ See Petition to Deny of Cellular South, Inc., WT Docket No. 09-104, at 14 (July 20, 2009) ("Petition").

⁸ When it imposed the condition that VZW phase down its high-cost universal service support over a five-year period, the Commission acknowledged that the phase-down was under consideration in its "comprehensive high-cost universal service reform" rulemaking. *See VZW/ALLTEL*, 23 FCC Rcd at 17532. Likewise, the imposition of the condition that VZW meet improved E911 location accuracy requirements prejudged an issue under consideration in the wireless E911 location accuracy rulemaking. *See id.* at 17532-33.

exclusivity arrangements. Such inaction would be appropriate considering that the Commission's action granting VZW's application to acquire the ALLTEL authorizations that it proposes to sell AT&T is not a final order.⁹

Finally, AT&T offers Cellular South's plan to market an Android device as evidence that regional carriers can obtain popular handsets. *See* Jt. Opp., at 28 n.102. While Cellular South is pleased that AT&T shares its optimism over this planned launch, it remains just that — planned. To date, Cellular South has not sold a single Android device.

Furthermore, AT&T's claim is a non sequitur. Android is an operating system; it is not a wireless device. The fact that Cellular South will be introducing a device with a particular operating system does not mean that regional carriers can obtain wireless devices easily. AT&T continues to discourage competition and limit consumer choice by monopolizing devices through the use of exclusivity agreements. Fortunately, AT&T either has not taken the same path with operating systems or it has been unsuccessful in its attempts. Regardless, it is uninformed, at best, and deceptive, at worst, to state that having access to an operating system means that a carrier has easy access to wireless devices.

III. THE TRANSFER APPLICATIONS SHOULD BE DESIGNATED FOR AN EVIDENTIARY HEARING ON A TRAFFICKING ISSUE

A. Designation for Hearing Would Partially Remedy VZW's Unlawful Acquisition of the Former ALLTEL Properties

Ironically, VZW joins AT&T in arguing:

The Communications Act ... expressly prevents the Commission from considering whether a transfer of a Title III license to another buyer would better serve the public interest. The law on this point is settled: in determining whether an application for transfer of licenses serves the public interest, the Commission

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⁹ By Cellular South's count, there are seven pending petitions for reconsideration of *VZW/ALLTEL*.

may not consider whether sale to a different buyer would be preferable. 10

Cellular South agrees. It argued that settled point of law in opposing the approval of the VZW/ALLTEL merger subject to the condition that some of the ALLTEL licenses be sold to a different buyer. Disregarding the dictates of § 310(d) of the Act, the Commission granted its consent to the merger on the condition that VZW divest operating units in 105 of the 392 Cellular Market Areas ("CMAs") in which ALLTEL operated by placing day-to-day control of the operations in the hands of a "management trustee" until they could be sold to third-party buyers. See VZW/ALLTEL, 23 FCC Rcd at 17515-20. In the process, the Commission also disregarded the dictates of §§ 308 and 309 of the Act.

VZW and ALLTEL filed 88 applications that were subject to § 310(d) of the Act. ¹³ When deciding whether to grant each one of those § 310(d) applications, the Commission was required to treat VZW as if it were applying for the particular ALLTEL authorizations under § 308 of the Act. *See* 47 U.S.C. § 310(d). Thus, the Commission was obliged to consider whether VZW was qualified to hold the licenses as proposed in the § 310(d) application. But in the case of 19 of those applications, the Commission found that VZW could not hold all the licenses it proposed to acquire. ¹⁴ In particular, the Commission found that the grant of the applications as

¹⁰ Jt. Opp., at 19 (footnotes omitted).

¹¹ See Reply of Cellular South, Inc. to Joint Opposition to Petitions to Deny and Comments, WT Docket No. 08-95, at 13 (Aug. 26, 2008) ("Cellular South Reply").

¹² When acting on an assignment or transfer of control application, the Commission "may not consider whether the public interest ... might be served by the transfer, assignment, or disposal of the permit or license to a person other than the proposed transferee or assignee." 47 U.S.C. § 310(d).

¹³ See Verizon Wireless and Atlantis Holdings LLC Seek FCC Consent to Transfer Licenses, Spectrum Manager and De Facto Transfer Leasing Arrangements, and Authorizations, and Request for Declaratory Ruling on Foreign Ownership, 23 FCC Rcd 1004, 1005-07 (2008).

¹⁴ See Petition, at Ex. 1.

proposed would likely cause "significant competitive harm" in 105 CMAs. *VZW/ALLTEL*, 23 FCC Rcd at 17516. That finding triggered the Commission's obligation to designate those 19 applications for hearing.

The Commission lacks the authority to deny a Title III application without affording the applicant the full hearing guaranteed it under § 309(e) of the Act. As it recognized when it granted the 19 applications on the condition that VZW divest licenses in 105 CMAs, the Commission must designate an application for hearing under § 309(e) if it is "unable to find that the proposed transaction serves the public interest for any reason, or if the record presents a substantial and material question of fact." VZW/ALLTEL, 23 FCC Rcd at 17461. Because it was unable to find that the grant of the 19 applications would serve the public interest, and since there was a substantial and material question as to whether the proposed transaction would cause significant competitive harm in 105 CMAs, the Commission had to formally designate the applications for a full hearing on the issue of whether the proposed transaction would cause significant competitive harm in those particular markets. See 47 U.S.C. § 309(e).

The Commission acted unlawfully when it avoided the requisite hearing by granting the § 310(d) applications on the condition that VZW neither consummate the transaction as proposed nor exercise the rights conferred on it by the Commission's action. By granting the merger applications subject to conditions that VZW did not request, the Commission denied the

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¹⁵ At the very least, the Commission failed to provide a reasoned explanation of how its action comported with §§ 308, 309(e) and 310(d). No such explanation was possible. Take for example, the transfer of control of Georgia RSA 8 Cellular Partnership ("Georgia Partnership') proposed in File No. 0003465064. Georgia Partnership only held the cellular Block B license (call sign KNKN899) for CMA378 Georgia 8 – Warren. *See* Cellular South Reply, at 12. The Commission granted the application despite the likelihood that substantial competitive harm would be caused if VZW controlled Georgia Partnership and the cellular system in CMA378 as it proposed. The Commission never found that the public interest would be served if VZW acquired a controlling interest in Georgia Partnership as it proposed in File No. 0003465064.

applications for the purposes of appeal under § 402(b) of the Act.. *See Tribune Co. v. FCC*, 133 F.3d 61, 66 (D.C. Cir. 1998); *Mobile Communications Corp. of America v. FCC*, 77 F.3d 1399, 1404 (D.C. Cir.), *cert. denied*, 519 U.S. 823 (1996). VZW could have rejected the grant of the applications subject to the divestiture condition, which would have caused the Commission to vacate its grant of the applications and set them for hearing under § 309(e). *See* 47 C.F.R. § 1.110. By acquiescing to the divestiture condition, VZW elected not to go to hearing. But Cellular South and the other petitioners/parties in interest were deprived of their statutory right under § 309(e) to participate in the hearing on the substantial and material question of whether the grant of the 19 applications would cause significant competitive harm in 105 CMAs. ¹⁶

Having been unlawfully allowed to escape a hearing on its purchase of the "former ALLTEL systems" in 65 CMAs,¹⁷ VZW wants to avoid a hearing on its proposed sale of those properties by claiming that it is being compelled to sell by the Commission and the Department of Justice ("DOJ"). *See* Jt. Opp., at 31. VZW claims that "it sought to acquire an entire company and had no choice but to acquire these authorizations in the process." *Id.* However, neither the Commission nor the DOJ forced VZW to acquire ALLTEL.

VZW was aware from the outset that its attempt to acquire ALLTEL would not survive the DOJ's Hart-Scott-Rodino review. It agreed to purchase ALLTEL on June 5, 2008. By August 11, 2008, Morgan Stanley was working on the sale of the ALLTEL properties that VZW had offered to divest in its initial discussions with DOJ. VZW's ability to move so quickly attests to the fact that it was aware that its acquisition of certain CMAs would run afoul of the

¹⁶ See 47 U.S.C. § 309(e) ("Any hearing subsequently held upon such application shall be a full hearing in which the applicant and all other parties in interest shall be permitted to participate").

¹⁷ File No. 0003840313, Ex. 1, at 6.

¹⁸ Morgan Stanley sent out a preliminary overview of the divestiture markets in August 2008. *See* Jt. Opp., Ex. B, at 1. The overview was dated August 11, 2008. *See* Cellular South Reply, Ex. 1, at 1.

DOJ's merger guidelines.

VZW also claims that, "[a]bsent compulsion by the FCC and DOJ," it "would not be seeking to sell the assets in question." Jt. Opp., at 31. VZW was not forced to acquiesce to the imposition of the Commission's unlawful divestiture condition. VZW could have rejected the conditional grant of its 19 applications and attempted to prove at hearing that its acquisition of the ALLTEL systems would serve the public interest. VZW elected not to attempt to make that case. Now it is attempting to avoid making the case that it is not attempting to traffic in the former ALLTEL licenses.

Cellular South will show that the Commission must consider evidence of trafficking when making a public interest determination under §§ 308 and 310(d) of the Act if the application is subject to a § 309(d) petition to deny. The Transfer Applications must undergo particularly strict scrutiny for trafficking because VZW was never found qualified to hold the former ALLTEL licenses that it now seeks to resell to AT&T. The Commission should partially remedy its failure to hold a hearing on VZW's applications to acquire these licenses by holding a hearing on VZW's qualifications to transfer them.

B. The Anti-Trafficking Rule Applies to the Proposed Sale of Licenses that VZW Was Unqualified to Hold and Systems It Was Unqualified to Operate

The Commission's public interest analysis begins with an assessment of whether the proposed transaction complies with the applicable provisions of the Act and the Rules, *see VZW/ALLTEL*, 23 FCC Rcd at 17460, including the threshold determination of whether the applicants have "the requisite qualifications to hold and transfer licenses" under § 310(d) and the Rules. *See id.* at 17464. The most applicable rule is § 1.948, which specifically governs the Commission's consideration of transfer of control and assignment applications in the Wireless Radio Services. *See* 47 C.F.R. § 1.948. In addition to making trafficking in licenses contrary to

the public, § 1.948(i) makes an attempt to traffic in licenses relevant to an applicant's qualifications to hold and transfer the authorizations. *See id.* § 1.948(i).

VZW and AT&T contend that "the anti-trafficking rules are not aimed at subsequent sales of *constructed* facilities *acquired at a market price* as is the case here." Even if that were true, VZW is proposing to sell unconstructed facilities. Moreover, VZW has disclosed neither the prices it paid for the former ALLTEL facilities nor the prices at which it is proposing to sell those facilities to AT&T. More to the point, the language of § 1.948(i) is not limited to the subsequent sale of unconstructed facilities that were acquired at market price.

The anti-trafficking rule applies to obtaining an "authorization" for the "principal purpose of speculation or profitable resale of the authorization rather than for the provision of telecommunications services to the public." 47 C.F.R. § 1.948(h). A license for an operating wireless telecommunications system is no less of an "authorization" than is a bare construction permit. And the application of the anti-trafficking rule was not limited by the two cases cited by VZW and AT&T. 22

¹⁹ Jt. Opp., at 31 (emphasis in original) (footnotes omitted).

²⁰ See id. at 31 n.112.

²¹ Ritter Communications, Inc. & Central Arkansas Rural Cellular LP, Reply to Joint Opposition, WT Docket No. 08-95, at 10 (Aug. 26, 2008).

²² VZW and AT&T rely on the Commission's decisions in *Year 2000 Biennial Regulatory Review – Amendment of Part 22 of the Rules to Modify or Eliminate Outdated Rules Affecting the Cellular Radiotelephone Service and other CMRS,* 17 FCC Rcd 18401 (2002) ("2000 Regulatory Review") and Forbearance from Applying Provisions of the Communications Act to Wireless Telecommunications Carriers, 15 FCC Rcd 17414 (2000) ("2000 Forbearance Order"). See Jt. Opp., at 31 n.111. In 2000 Regulatory Review, the Commission found that the cellular-specific anti-trafficking rule was unnecessary "given the presence of the anti-trafficking provisions of [§] 1.948(i), which is applicable to all services." 17 FCC Rcd at 18438. The 2000 Forbearance Order is even less helpful to VZW and AT&T. There, the Commission declined to eliminate § 1.948(i) or to limit its scope. See 15 FCC Rcd at 17429. The Commission did note that it expected that it would "rarely" review assignments or transfers of authorizations that were assigned through auction, because the auction process safeguarded against speculation by

VZW's conduct falls squarely under the purview of the anti-trafficking rule. It is beyond dispute that VZW obtained the authorizations for the former ALLTEL systems for the purpose of reselling the authorizations rather than providing telecommunications services to the public. See VZW/ALLTEL, 23 FCC Rcd at 17515-16. Consequently, the only remaining question of fact under § 1.948(i)(1) is whether the grant of the Transfer Applications will result in the profitable resale of the licensed systems VZW acquired from ALLTEL on January 9, 2009 but has not operated.²³

A Hearing Is Required to Determine Whether VZW Seeks C. to Profit from the Resale of the Former ALLTEL Properties

The Commission's anti-trafficking rule is a properly-promulgated legislative rule. Therefore, under the Accardi doctrine, 24 the Commission must respect and enforce its antitrafficking rule so long as it remains in force. See United States v. Nixon, 418 U.S. 683, 695-96 (1974); American Federation of Government Employees v. FLRA, 777 F.2d 751, 759 (D.C. Cir. 1985). When faced with evidence that an applicant is trafficking, the Commission must review the application in accordance with § 1.948(i).

The anti-trafficking rule plainly states that applications for authority under § 310(d) of the Act "may be reviewed by the Commission to determine if the transaction is for the purposes of trafficking in service authorizations." 47 C.F.R. § 1.948(i). AT&T and VZW correctly note that the Commission has interpreted § 1.948(i) to give it the discretion to require an applicant to

requiring the initial licensees to pay market value for their authorizations. *Id.* In this case, VZW is not the initial licensee of the former ALLTEL systems and it did not acquire the licenses at auction.

²³ See Petition, at 4.

²⁴ See Accardi v. Shaughnessy, 347 U.S. 260 (1954) and its progeny. As applied to the Commission, the Accardi principle that "agencies must abide by their rules" was expressed as a "precept that lies at the foundation of the modern administrative state." Reuters Ltd. v. FCC, 781 F.2d 946, 947 (D.C. Cir. 1986).

make a showing under § 1.948(i)(2). *See* Jt. Opp., at 31 (citing *VZW/ALLTEL*, 23 FCC Rcd at 17536). Thus, in the normal case, the Commission has some discretion in deciding whether there is sufficient evidence of trafficking to warrant an inquiry into the matter. However, a review for trafficking becomes mandatory after trafficking is alleged in a formal petition to deny. At the very least, the Commission must address the merits of the allegation in order to comply with the requirements of § 309(d)(2) of the Act.

Cellular South's petition to deny contained specific allegations of fact that were sufficient to show that the grant of 19 of the 26 Transfer Applications would be prima facie inconsistent with the anti-trafficking rule. The Petition contained the allegations that: (1) VZW obtained authorizations issued to ALLTEL to operate in 105 CMAs on the condition that it sell all or some of the authorizations; (2) VZW obtained those former ALLTEL authorizations on the condition that it could not control or operate the systems to provide telecommunications services to the public as proposed in its transfer applications; and (3) VZW is proposing to sell the former ALLTEL systems in 65 CMAs having never operated those systems to provide telecommunications services to the public.²⁵ VZW and AT&T did not dispute those three allegations.

It is beyond dispute that VZW obtained authorizations for 105 CMAs for the purpose of selling some or all of them. VZW has now disclosed that Morgan Stanley began to sell the "assets" that it would be required to divest in August 2008. *See* Jt. Opp., at 22, Ex. B at 1. The sale process was "officially launched" in October 2008. *Id.*, Ex. B, at 2. By October 7, 2008, VZW had agreed to divest assets in 100 CMAs.²⁶ Clearly, VZW had formed the intent to sell systems in 100 CMAs before the Commission granted the VZW/ALLTEL merger applications

²⁵ See Petition, at 9-11.

²⁶ See Letter from John T. Scott, III to Marlene H. Dortch, WT Docket No. 08-95, at 2 (Oct 7, 2008).

on November 10, 2008. Thus, the Commission must find that VZW obtained the authorizations for all or some of the 100 CMAs for the principle purpose of reselling them rather than for providing telecommunications services to the public. The only unanswered questions of fact proximate to the ultimate question of whether VZW is trafficking in licenses go to (1) the identity of the systems that VZW intended to sell and (2) whether VZW intended to profit from the sale.

Based on representations made by Morgan Stanley in August 2008, Cellular South was able to predict before the Commission approved the VZW/ALLTEL merger that VZW would divest the operations in Kansas and Southern Minnesota that it had acquired from RCC Minnesota, Inc. ("RCC"). 27 It also correctly predicted that VZW would divest the former ALLTEL system in Las Cruces, New Mexico (CMA285),28 as well as the former ALLTEL systems in 59 of the other CMAs that VZW now proposes to sell to AT&T.²⁹ It failed only to predict the sale of the five CMAs divested pursuant to the Commission's divestiture order. 30 If Cellular South could predict the former ALLTEL properties that VZW would sell prior to the grant of the VZW/ALLTEL merger, the Commission can infer that VZW had decided to sell those particular properties while the merger applications were pending before the Commission. Hence, VZW obtained the authorizations for the former ALLTEL properties with the intent to

²⁷ See Cellular South Reply, at 8-9. VZW is proposing to sell AT&T the former RCC systems in Kansas and Southern Minnesota. See infra Ex. 2, at 5.

²⁸ It was obvious that VZW would divest ALLTEL's partnership interests in licensees that operated only in CMAs that would be subject to divestiture under VZW's agreement with the DOJ. Thus, Cellular South predicted that VZW would sell ALLTEL's interest in the Las Cruces Cellular Telephone Company that it proposed to acquire in File No. 0003465057. Supplement to Petition to Deny of Cellular South, Inc., WT Docket No. 08-95, at 10-11 (Oct. 24, 2008).

²⁹ Compare Cellular South Reply, at 9-10, Ex. 4 with Ex. 2, infra.

³⁰ The Commission ordered VZW to divest operating units in CMA181, CMA427, CMA476, CMA478 and CMA650. See VZW/ALLTEL, 23 FCC Rcd at 17516.

resell them.

The Commission can also infer from the facts that VZW intended to profit from the sale of the former ALLTEL properties. In the first place, VZW does not acknowledge that the antitrafficking rule imposed any constraints on its ability to sell the authorizations. *See* Jt. Opp., at 21. Morgan Stanley did not offer the properties for sale at a fixed price, which would have allowed VZW to claim that it intended to sell the properties at cost.³¹ Instead, VZW chose to employ an allegedly open bidding process in the hopes of "realizing the best value possible under severely depressed market conditions." *Id.* At 27 n.98. The Commission can find that VZW wanted to profit from the sale of the former ALLTEL authorizations leaving unanswered only the question of whether VZW succeeded in arranging a for-profit sale to AT&T.

VZW apparently paid approximately \$28.1 billion for all of ALLTEL's wireless properties, including licenses and network assets,³² which served 13.1 million subscribers in 392 CMAs.³³ It proposes to sell AT&T wireless systems serving approximately 1.5 million subscribers in 79 of those CMAs for \$2.35 billion in cash.³⁴ Cellular South can estimate that AT&T is paying VZW a \$319.85 per-POP price for the 79 CMAs,³⁵ but it cannot determine

³¹ See Cellular South Reply, at Ex. 1.

³² According to ALLTEL, the aggregate value of the transaction was \$28.1 billion. *See* ALLTEL, SEC Form 10-Q, at 15 (Sept. 30, 2008). *See also* Cellular South Reply, Ex. 1, at 2.

³³ See File No. 0003463892, Ex. 1, at 4.

³⁴ See Verizon Communications, Inc., SEC Form 10-Q, at 7 (Mar. 31, 2009); AT&T, SEC Form 8-K, at 2 (May 8, 2009).

³⁵ VZW has disclosed that it considered "price per POP," but that the per-POP price was not the sole factor it considered when buyers were selected. Jt. Opp., at 26 n.95. When it first offered VZW's so-called "divestiture properties" for sale in August 2008, Morgan Stanley identified each of the properties by state, CMA name, and CMA number and provided only its "licensed POPs." Cellular South Reply, Ex. 1, at 6-9. Based on the 2000 Census, the 79 CMAs involved in the proposed transaction have a total population of 7,347,295. *See infra* Ex. 3, at 2.

whether VZW stands to profit from the resale of the former ALLTEL properties in 65 of the CMAs.³⁶ Only VZW has access to the facts necessary to make that determination.

In contested licensing cases such as this, applicants carry the burden of producing the information in their sole possession that is relevant to the Commission's public interest determination. *See, e.g., VZW/ALLTEL,* 23 FCC Rcd at 17496. Thus, it was incumbent upon VZW to come forward with a candid statement of the relevant facts necessary to determine whether it stands to profit from the resale of the former ALLTEL properties. *See RKO General, Inc. v. FCC,* 670 F.2d 215, 229 (D.C. Cir. 1981), *cert. denied,* 456 U.S. 927 (1982). VZW proffered the declaration of Morgan Stanley's Christopher J. Bartlett. *See Jt. Opp.*, at Ex. B. But VZW stonewalled the relevant facts. It withheld: (1) the prices it paid for the ALLTEL assets in the 65 CMAs, (2) Morgan Stanley's November 2008 Confidential Information Memorandum, ³⁷ (3) the final bids that were received for the 65 CMAs, ³⁸ and (4) the prices AT&T has agreed to pay for the former ALLTEL assets in the 65 CMAs.

By stonewalling the facts, VZW has left a substantial and material question of fact that must be resolved at hearing. If it wants to attempt to resolve the issue short of a hearing, the Commission must elicit the facts necessary to resolve the issue of whether VZW will profit from the resale of the former ALLTEL systems. If it elicits facts from VZW, the Commission must afford the petitioners a "reasonable time in which to comment on or rebut newly submitted evidence as well as reasonable notice of what the applicable deadlines are." *Bilingual Bicultural Coalition on Mass Media, Inc. v. FCC*, 595 F.2d 621, 632 (D.C. Cir. 1978) (*en banc*). In order

³⁶ For one thing, VZW proposes to sell systems to AT&T that serve areas outside the 79 CMAs that are subject to the Commission's divestiture requirement. *See infra* Ex. 2.

³⁷ *See* Jt. Opp., Ex. B, at 2.

³⁸ *See id.*, Ex. B, at 3.

to permit "meaningful participation by petitioners," all written statements obtained from VZW "must be placed in the public record, and a stated reasonable time allowed for response and rebuttal by petitioners." *Id.* at 634.

Respectfully submitted,

/s/ [filed electronically]

RUSSELL D. LUKAS DAVID L. NACE LUKAS, NACE, GUTIERREZ & SACHS, LLP 1650 Tysons Blvd., Suite 1500 McLean, VA 22102 (703) 584- 8678

Attorneys for Cellular South, Inc.

August 11, 2009



31 Records Found

Record 1 through 10 displayed

Proceeding: 09-104

Date Received/Adopted: 08/07/09

Document Type: NOTICE

File Number/Community:

Filed on Behalf of: National Telecommunications Cooperative Association

Filed By:

Attorney/Author Name: Daniel Mitchell

Complete Mailing Address:

4121 Wilson Blvd.

10th Floor Arlington, VA 22203

NOTICE OF EXPARTE

Proceeding: 09-104

Date Received/Adopted: 08/06/09

Document Type: REPLY

File Number/Community:

Filed on Behalf of: Public Service Communications, Inc.

Filed By: Blooston, Mordkofsky, Dickens, Duffy, & Prendergast, LLP

Attorney/Author Name: John Prendergast

Complete Mailing Address:

2120 L Street NW

Suite 300

Washington, DC 20037

REPLY

Proceeding: 09-104

Date Received/Adopted: 08/06/09

Document Type: REPLY COMM

File Number/Community:

Filed on Behalf of: South Dakota Public Utilities Commission

Filed By:

Attorney/Author Name: Rolayne Ailts Wiest

Complete Mailing Address:

500 E Capital Ave

Pierre, SD 57501 -5070

REPLY TO COMMENTS

Proceeding: 09-104

Date Received/Adopted: 08/06/09

Document Type: REPLY

File Number/Community:

Filed on Behalf of: Sprint Nextel Corporation

Filed By:

Attorney/Author Name:

Complete Mailing Address:

2001 Edmund Halley Drive

Reston, VA 20191

REPLY

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Total Pages: 5

DA/FCC Number:

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Type Code: RC

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Total Pages: 10

DA/FCC Number:

Date Posted Online: 08/06/09

Type Code: RL

Date Released/Denied:

Total Pages: 8

DA/FCC Number:

Date Posted Online: 08/06/09

Proceeding: 09-104 Type Code: RL Date Received/Adopted: 08/06/09 Date Released/Denied: Document Type: REPLY Total Pages: 13 File Number/Community: DA/FCC Number:

Filed on Behalf of: Cox Communications

Filed By: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

Attorney/Author Name: Michael H. Pryor Date Posted Online: 08/07/09

Complete Mailing Address: 701 Pennsylvania Avenue, N.W. Suite 900

Washington, DC 20004

REPLY

Proceeding: 09-104 Type Code: OT Date Received/Adopted: 08/05/09 Date Released/Denied: Total Pages: 7 Document Type: OTHER File Number/Community: DA/FCC Number:

Filed on Behalf of: AT&T Inc./Verizon Wireless

Filed By: Arnold & Porter LLP

Attorney/Author Name: Peter J. Schildkraut Date Posted Online: 08/06/09

Complete Mailing Address: Arnold & Porter LLP 555 Twelfth Street, N.W. Washington, DC 20004

OTHER

Proceeding: 09-104 Type Code: NO Date Received/Adopted: 08/04/09 Date Released/Denied: Document Type: NOTICE Total Pages: 3 File Number/Community: DA/FCC Number:

Filed on Behalf of: Rural Telecommunications Group, Inc.

Filed By: Bennet & Bennet, PLLC

Attorney/Author Name: Caressa D. Bennet Date Posted Online:

Complete Mailing Address: 4350 East West Highway, Suite 201

Bethesda. MD 20814 NOTICE OF EXPARTE

Proceeding: 09-104 Type Code: MN Date Received/Adopted: 08/04/09 Date Released/Denied: Document Type: MOTION Total Pages: 4 File Number/Community: DA/FCC Number:

Filed on Behalf of: Chatham Avalon Park Community Council

Filed By: Shainis & Peltzman, Chartered

Attorney/Author Name: Aaron Shainis Date Posted Online: 08/06/09

Complete Mailing Address:

1850 M Street, NW Washington, DC 20036 No Description

Proceeding: 09-104 Type Code: MN Date Received/Adopted: 08/03/09 Date Released/Denied: Document Type: MOTION Total Pages: 5 DA/FCC Number: File Number/Community:

Filed on Behalf of: Rural Telecommunications Group, Inc.

Filed By: Bennet & Bennet, PLLC

Attorney/Author Name: Caressa D. Bennet Date Posted Online: 08/04/09

Complete Mailing Address: 4350 East West Highway, Suite 201

Bethesda, MD 20814

MOTION FOR EXTENSION OF TIME

Proceeding: 09-104

Date Received/Adopted: 07/30/09

Document Type: *OPPOSE* File Number/Community:

Filed on Behalf of: AT&T Inc. and Verizon Wireless

Filed By: Arnold & Porter LLP

Attorney/Author Name: Peter J. Schildkraut, Esq.

Complete Mailing Address: 555 Twelfth Street, NW Washington, DC 20004 -1206 OPPOSITION Type Code: *OP*Date Released/Denied:
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31 Records Found

Record 11 through 20 displayed

Proceeding: 09-104 Type Code: PT Date Received/Adopted: 07/20/09 Date Released/Denied: Document Type: PETITION Total Pages: 39 File Number/Community: DA/FCC Number:

Filed on Behalf of: Chatham Avalon Park Community Council

Filed By: Shainis & Peltzman, Chartered

Attorney/Author Name: Aaron P. Shainis Date Posted Online: 07/20/09

Complete Mailing Address:

1850 M Street, NW

Suite 240

Washington, DC 20036

PETITION

Proceeding: 09-104 Type Code: OP

Date Received/Adopted: 07/20/09 Date Released/Denied: Document Type: OPPOSE Total Pages: 8 DA/FCC Number:

File Number/Community: Filed on Behalf of: NTELOS Inc.

Filed By:

Attorney/Author Name: Mary McDermott Date Posted Online: 07/20/09

Complete Mailing Address:

NTELOS. 401 Spring Lane Waynesboro, VA 22980 OPPOSITION

Proceeding: 09-104 Type Code: PR Date Received/Adopted: 07/20/09 Date Released/Denied: Document Type: PET RECON Total Pages: 40 File Number/Community: DA/FCC Number:

Filed on Behalf of: Cellular South, Inc.

Filed By: Lukas, Nace, Gutierrez & Sachs, LLP

Attorney/Author Name: Russell D. Lukas and David L. Date Posted Online: 07/20/09

Complete Mailing Address:

1650 Tysons Blvd. Ste. 1500

McLean, VA 22102

PETITION FOR RECONSIDERATION

Proceeding: 09-104 Type Code: PT Date Received/Adopted: 07/20/09 Date Released/Denied: Document Type: PETITION Total Pages: 14 File Number/Community: DA/FCC Number: Filed on Behalf of: National Association of Black Owned Broadcasters, Inc.

Filed By:

Attorney/Author Name: James L. Winston

Date Posted Online: 07/20/09 Complete Mailing Address:

1155 Connecticut Ave. NW

Suite 600 Washington, DC 20036 PETITION

Proceeding: 09-104
Date Received/Adopted: 07/20/09
Document Type: COMMENT
File Number/Community:

Filed on Behalf of: Sprint Nextel Corporation

Filed By:

Attorney/Author Name: Charles W. McKee

Complete Mailing Address: 2001 Edmund Halley Drive

Reston, VA 20191 COMMENT

Proceeding: 09-104
Date Received/Adopte

Date Received/Adopted: 07/20/09
Document Type: PETITION
File Number/Community:

Filed on Behalf of: Rural Telecommunications Group, Inc.

Filed By: Bennet & Bennet, PLLC

Attorney/Author Name: Caressa D. Bennet

Complete Mailing Address: 4350 East West Highway, Suite 201

Bethesda, MD 20814 PETITION

Proceeding: 09-104

Date Received/Adopted: 07/20/09
Document Type: PETITION

File Number/Community: Filed on Behalf of: Cellular South, Inc.

Filed By: Lukas, Nace, Gutierrez & Sachs, LLP

Attorney/Author Name: Russell D. Lukas and David L.

Complete Mailing Address:

1650 Tysons Blvd. Ste. 1500

McLean, VA 22102 PETITION

Proceeding: 09-104
Date Received/Adopted: 07/14/09
Document Type: NOTICE
File Number/Community:

Filed on Behalf of: Vicki Iseman

Filed By:

Attorney/Author Name: Complete Mailing Address:

2111 Wilson Blvd.

8th Floor

Arlington, VA 22201 NOTICE OF EXPARTE

Proceeding: 09-104

Date Received/Adopted: 07/02/09 Document Type: LETTER File Number/Community:

Filed on Behalf of: Office of Commissioner Cobbs

Filed By: FCC

Attorney/Author Name: Michael J. Cobbs

Complete Mailing Address:

445 Ī2th Street SW Washington, DC 20554 Type Code: CO
Date Released/Denied:
Total Pages: 24

Total Pages: 24 DA/FCC Number:

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Type Code: PT

Date Released/Denied: Total Pages: 19 DA/FCC Number:

Date Posted Online: 07/21/09

Type Code: PT

Date Released/Denied: Total Pages: 44 DA/FCC Number:

Date Posted Online: 07/21/09

Type Code: NO

Date Released/Denied: Total Pages: 25 DA/FCC Number:

Date Posted Online:

Type Code: LT

Date Released/Denied:

Total Pages: 1
DA/FCC Number:

Date Posted Online: 08/06/09

No Description

Proceeding: 09-104

Date Received/Adopted: 07/02/09

Document Type: LÊTTER

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Filed on Behalf of: Office of Commissioner Cobbs

Filed By: FCC

Attorney/Author Name: Michael J. Cobbs

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445 12th Street SW Washington, DC 20554

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Record 21 through 30 displayed

Proceeding: 09-104 Type Code: LT

Date Released/Denied: Date Received/Adopted: 07/02/09

Total Pages: 1 Document Type: LETTER File Number/Community: DA/FCC Number:

Filed on Behalf of: Office of Commissioner Cobbs

Filed By: FCC

Attorney/Author Name: Michael J. Cobbs Date Posted Online: 08/06/09

Complete Mailing Address: 445 12th Street SW

Washington, DC 20554 No Description

Proceeding: 09-104 Type Code: LT

Date Released/Denied: Date Received/Adopted: 07/02/09 Document Type: LÊTTER Total Pages: 1 File Number/Community: DA/FCC Number:

Filed on Behalf of: Office of Commissioner Cobbs

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Attorney/Author Name: Michael J. Cobbs Date Posted Online: 08/06/09

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445 12th Street SW Washington, DC 20554 No Description

Proceeding: 09-104 Type Code: LT

Date Released/Denied: Date Received/Adopted: 07/02/09

Document Type: LETTER Total Pages: 1 DA/FCC Number: File Number/Community:

Filed on Behalf of: Office of Commissioner Cobbs

Filed By: FCC

Attorney/Author Name: Michael J. Cobbs

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445 12th Street SW Washington, DC 20554 No Description

Date Posted Online: 08/06/09

Proceeding: 09-104

Type Code: LT Date Released/Denied: Date Received/Adopted: 07/02/09

Document Type: LETTER Total Pages: 1 DA/FCC Number: File Number/Community:

Filed on Behalf of: Office of Commissioner Cobbs

Filed By: FCC

Date Posted Online: 08/06/09 Attorney/Author Name: Michael J. Cobbs

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445 12th Street SW Washington, DC 20554 No Description

Proceeding: 09-104 Type Code: LT

Date Released/Denied: Date Received/Adopted: 07/02/09

Document Type: LETTER
File Number/Community:

Filed on Behalf of: Office of Commissioner Cobbs

Filed By: FCC

Attorney/Author Name: Michael J. Cobbs

Complete Mailing Address: 445 12th Street SW Washington, DC 20554 No Description Total Pages: 1
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Date Posted Online: 08/06/09

Proceeding: 09-104

Date Received/Adopted: 07/02/09 Document Type: LETTER File Number/Community:

Filed on Behalf of: Office of Commissioner Cobbs

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Attorney/Author Name: Michael J. Cobbs

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Date Posted Online: 08/06/09

Washington, DC 20554
No Description

Proceeding: 09-104

Date Received/Adopted: 07/02/09

Document Type: LETTER

File Number/Community:

Filed on Behalf of: Office of Commissioner Cobbs

Filed By: FCC

Attorney/Author Name: Michael J. Cobbs

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Total Pages: /

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Date Posted Online: 08/06/09

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Proceeding: 09-104

Date Received/Adopted: 07/02/09
Document Type: LETTER
File Number/Community:

Filed on Behalf of: Office of Commissioner Cobbs

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Attorney/Author Name: Michael J. Cobbs

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445 12th Street SW Washington, DC 20554 No Description Type Code: LT

Date Released/Denied:

Total Pages: 1
DA/FCC Number:

Date Posted Online: 08/06/09

Proceeding: 09-104

Date Received/Adopted: 07/02/09

Document Type: LÊTTER
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Filed on Behalf of: Office of Commissioner Cobbs

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Attorney/Author Name: Michael J. Cobbs

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Date Released/Denied:

Total Pages: I
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Proceeding: 09-104 Date Received/Adopted: 07/02/09

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Type Code: LT
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Attorney/Author Name: Michael J. Cobbs

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Proceeding: 09-104

Date Received/Adopted: 06/24/09

Document Type: PUB NOTICE

File Number/Community:

Filed on Behalf of: Mobility Division

Filed By: FCC

Attorney/Author Name: Erin McGrath

Complete Mailing Address:

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CMRS SYSTEMS THAT VZW PROPOSES TO SELL TO AT&T

FILE NO.	TRANSFEROR	CALL SIGN	CMA	Market
0003840313	ALLTEL Communications, LLC	KNKA543	246	Dothan, AL
		KNKA245	353	CO 6 – San Miguel
		KNKN725	313	AL 7 - Butler
		KNKN758	650	TN 8 - Johnson
0003841825	ALLTEL Communications, LLC	KNLG298	246	Dothan, AL
			313	AL 7 - Butler
		KNLG328	313	AL 7 - Butler
0003841826	ALLTEL Communications of NM, Inc.	KNKN216	557	NM 5 - Grant
		KNKN270	553	NM 1 – San Juan
0003841827	ALLTEL Communications of S. Mich. Cell. LP	KNKA506	181	Muskegon, MI
0003841830	ALLTEL Communications of the Southwest LP	KNKN206	322	AZ 5 - Gila
0003841832	ALLTEL Communications of Va. No. 12, LLC	KNKA655	262	Danville, VA
		KNKN622	688	VA 8 - Amelia
		KNKN791	681	VA 1 - Lee
0003845109	Las Cruces Cellular Telephone Company	KNKA605	285	Las Cruces, NM
0003841837	Midwest Wireless Communications, L.C.C.	KNLG882	267	Sioux Falls, SD
0003841834	Midwest Wireless Communications, L.C.C.	KNLF485	427	IA 16 - Lyon
			490	MN 9 - Pipestone
		KNLG884	427	IA 16 - Lyon
			490	MN 9 - Pipestone
0003841842	Midwest Wireless Iowa L.L.C.	WPOM853	427	IA 16 - Lyon
0003841840	Midwest Wireless Iowa L.L.C.	KNLG863	253	Sioux City, IA
0003841902	WWC Holding Co., Inc.	KNKA571	276	Grand Forks, ND
		KNKA592	298	Bismarck, ND
		KNKA670	268	Billings, MT
		KNKA732	297	Great Falls, MT
		KNKA790	299	Casper, WY
		KNKA822	221	Fargo, ND
		KNKN218	677	UT 5 - Carbon
		KNKN255	532	MT 10 - Prairie
		KNKN276	719	WY 2 - Sheridan
		KNKN278	355	CO 8 - Kiowa
		KNKN283	530	MT 8 - Beaverhead
		KNKN285	580	ND 1 - Divide
		KNKN286	678	UT 6 - Piute
		KNKN308	527	MT 5 - Mineral
		KNKN312	718	WY 1 - Park
		KNKN343	583	ND 4 - McKenzie
		KNKN372	351	CO 4 - Park
		KNKN380	523	MT 1 - Lincoln
		KNKN381	524	MT 2 - Toole
		KNKN382	531	MT 9 - Carbon
		KNKN409	356	CO 9 - Costilla
		KNKN430	529	MT 7 - Fergus
		KNKN431	528	MT 6 - Deer Lodge
		KNKN432	526	MT 4 - Daniels
		KNKN448	352	CO 5 - Elbert

		1	A CATA T 1 CO
II	KNKN451	483	MN 2 – Lake of the Woods
	KNKN522	482	MN 1 - Kittson
	KNKN554	354	CO 7 - Saquache
	KNKN782	584	ND 5 - Mineral
	KNKQ281	581	ND 2 - Bottineau
	KNKQ347	676	UT 4 - Beaver
	KNKQ383	675	UT 3 - Juab
	KNKQ449	721	WY 4 - Niobrara
	KNKR258	722	WY 5 - Converse
	KNKR312	530	MT 8 - Beaverhead
	KNLF940	580	ND 1 - Divide
		583	ND 4 - McKenzie
	KNLG247	635	SD 2 - Corson
		636	SD 3 - McPherson
		637	SD 4 - Marshall
	KNLG760	639	SD 6 - Haakon
		640	SD 7 - Sully
		641	SD 8 - Kingsbury
	KNLG773	639	SD 6 - Haakon
		640	SD 7 - Sully
		641	SD 8 - Kingsbury
		642	SD 9 - Hanson
	WPRU654	298	Bismarck, ND
		276	Grand Forks, ND
		267	Sioux Falls, SD
	WPSJ965	298	Bismarck, ND
	WPSJ966	580	ND 1 - Divide
		581	ND 2 - Bottineau
		584	ND 5 - Kidder
	WPVV301	582	ND 3 - Barnes
	WPYL297	583	ND 4 - McKenzie
	WPYL298	634	SD 1 - Harding
	WPZA503	527	MT 5 - Mineral
		528	MT 6 - Deer Lodge
	WPZA504	530	MT 8 - Beaverhead
	WPZA507	523	MT 1 - Lincoln
	WPZA508	523	MT 1 - Lincoln
		527	MT 5 - Mineral
	WPZA509	527	MT 5 - Mineral
		528	MT 6 - Deer Lodge
		530	MT 8 - Beaverhead
	WPZA512	354	CO 7 - Saguache
		678	UT 6 - Piute
	WPZI386	523	MT 1 -Lincoln
	WQBG798	523	MT 1 -Lincoln
		524	MT 2 – Toole
		526	MT 4 - Daniels
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			678	UT 6 - Piute
		WQBI471	527	MT 5 - Mineral
			528	MT 6 - Deer Lodge
		WQBI472	527	MT 5 - Mineral
			528	MT 6 - Deer Lodge
			530	MT 8 - Beaverhead
		WQBK375	523	MT 1 - Lincoln
		WQBK376	523	MT 1 - Lincoln
0003841967	WWC Holding Co., Inc.	KNLF934	483	MN 2 - Lake of the
		Assembly to the second	***	Woods
		KNLG786	637	SD 4 - Marshall
		KNLG952	637	SD 4 - Marshall
		KNLH737	483	MN 2 - Lake of Woods
		KNLH771	490	MN 9 - Pipestone
······································		WPTM983	221	Fargo, ND
		WPZA505	523	MT 1 - Lincoln
······································		WPZA510	268	Billings, MT
***************************************		WPZA513	675	UT 3 - Juab
			677	UT 5 - Carbon
			678	UT 6 - Piute
		WPZA514	351	CO 4 - Park
			352	CO 5 - Elbert
-			354	CO 7 - Saguache
			355	CO 8 - Kiowa
			356	CO 9 - Costilla
		WPZA798	221	Fargo, ND
		111121170	276	Grand Forks, ND
			482	MN 1- Kittson
	· · · · · · · · · · · · · · · · · · ·		483	MN 2 - Lake of Woods
			488	MN 7 - Chippewa
			489	MN 8 - Lac qui Parle
			490	MN 9 - Pipestone
			581	ND 2 - Bottineau
			582	ND 3 - Barnes
			584	ND 5 - Kidder
		WQBI461	298	Bismark, ND
<u> </u>		M (D1401	482	MN 1 -Kittson
				MN 2 - Lake of Woods
:			483	<u> </u>
			488	MN 7 - Chippewa
	<u> </u>	<u> </u>	489	MN 8 - Lac qui Parle

	1			
			490	MN 9 - Pipestone
			581	ND 2 - Bottineau
			582	ND 3 - Barnes
			584	ND 5 - Kidder
		WQBI463	351	CO 4 - Park
			352	CO 5 - Elbert
			354	CO 7 - Saguache
			355	CO 8 - Kiowa
			356	CO 9 - Costilla
		<u> </u>	677	UT 5 - Carbon
			718	WY 1 - Park
			719	WY 2 - Sheridan
			721	WY 4 - Niobrara
			722	WY 5 - Converse
		WQBI468	675	UT 3 - Juab
			677	UT 5 - Carbon
			678	UT 6 - Piute
0003841846	WWC Licenses L.L.C.	KNKA573	253	Sioux City, IA
		KNKA597	267	Sioux Falls, SD
		KNKA731	289	Rapid City, SD
		KNKN209	341	CA 6 - Mono
		KNKN214	544	NV 2 - Lander
		KNKN215	547	NV 5 – White Pine
		KNKN217	558	NM 6 -Lincoln
		KNKN272	641	SD 8 - Kingsbury
		KNKN273	642	SD 9 - Hanson
<del></del>		KNKN298	640	SD 7 - Sully
		KNKN333	636	SD 3 - McPherson
		KNKN384	637	SD 4 - Marshall
		KNKN429	639	SD 6 - Haakon
		KNKN436	419	IA 8 - Monona
		KNKN446	638	SD 5 - Custer
		KNKN549	635	SD 2 - Corson
		KNKQ381	634	SD 1 - Harding
		WPYQ944	558	NM 6 - Lincoln
	· · · · · · · · · · · · · · · · · · ·	WPZA815	558	NM 6 - Lincoln
		WPZA816	547	NV 5 - White Pine
		WPZI377	635	SD 2 - Corson
···			636	SD 3 - McPherson
			637	SD 4 - Marshall
			639	SD 6 - Haakon
	-		640	SD 7 - Sully
			641	SD 8 - Kingsbury
			642	SD 8 - Kingsbury SD 9 - Hanson
		WPZI380	558	NM 6 - Lincoln
		WP2.1380 WQAD515	641	SD 8 - Kingsbury
		WQAD313	642	SD 8 - Kingsbury SD 9 - Hanson
······		WODIACO	558	NM 6 - Lincoln
		WQBI453		<u> </u>
		WQBI454	635	SD 2 - Corson
			636	SD 3 - McPherson
			637	SD 4 - Marshall
	<u> </u>		639	SD 6 - Haakon

	T		T	
			640	SD 7 - Sully
			641	SD 8 - Kingsbury
			642	SD 9 - Hanson
		WQBI465	558	NM 6 - Lincoln
		WQBI466	547	NV 5 – White Pine
		WQDG564	641	SD 8 - Kingsbury
			642	SD 9 - Hanson
		WPYQ942	253	Sioux City, IA
			419	IA 8 - Monona
			642	SD 9 – Bon Homme
		WPYW360	419	IA 8 - Monona
			537	NB 5 - Boone
		WPZA814	634	SD 1 - Harding
			638	SD 5 - Custer
			639	SD 6 - Haakon
		WQBI459	634	SD 1 - Harding
			638	SD 5 - Custer
		,	639	SD 6 - Haakon
		WQBK368	419	IA 8 - Monona
			537	NB 5 - Boone
0003841868	Cellco Partnership	WQCS434	535	NB 3 - Knox
			537	NB 5 - Boone
			542	NB 10 - Cass
		WQGA717	476	MI 5 - Manistee
		1 30/1/1/	478	MI 7 - Newaygo
0003841849	New Par	KNKF500	64	Grand Rapids, MI
0003041047	11011111	14444 500	476	MI 5 - Manistee
<u> </u>			478	MI 7 - Newaygo
		KNLF516	181	Muskegon, MI
		1 1/1/1/2/2/2/0	476	MI 5 - Manistee
		KNLG668	477	MI 6 - Roscommon
		121120000	478	MI 7 - Newaygo
		KNLG671	474	MI 3 - Emmet
		KNLO071	476	MI 5 - Manistee
		KNLG850	474	MI 3 - Emmet
		KINLUOJU	476	MI 5 - Manistee
		WPTB355	477	MI 6 - Roscommon
		WIIDSSS	478	MI 7 - Newaygo
0002041051	PCC Minnesota Inc	WOEASST	4	MN 7 – Lac qui Parie
0003841851 0003841854	RCC Minnesota, Inc. RCC Minnesota, Inc.	WQFA857 KNKN282	489 490	MN 9 - Pipestone
0003641634	ACC WHITESORA, INC.		<del></del>	
		KNKN450	489	MN 7 – Lac qui Parie KS 7 - Trego
***************************************		KNKN465	434	<u> </u>
		KNKN469	433	KS 6 – Wallace
		KNKN514	429	KS 2 – Norton
		KNKN516	428	KS 1 – Cheyenne
		KNKN518	438	KS 11 – Hamilton
		KNKN 572	491	MN 10 – Le Sueur
		KNKN741	439	KS 12 - Hodgeman
		KNKQ376	440	KS 13 - Edwards
		KNKQ432	488	MN 7 - Chippewa
0003841857	Verizon Wireless (VAW) LLC	KNLH260	15	Minneapolis-St. Paul, MN/WI

		488	MN 7 – Chippewa
		491	MN 10 – Le Sueur
		492	MN 11 - Goodhue
		708	WI 1 – Burnett
		709	WI 2 – Bayfield
		712	WI 5 - Pierce
	KNLH668	534	NB 2 - Cherry
		536	NB 4 – Grant
		537	NB 5 – Boone
		538	NB 6 – Keith
		539	NB 7 - Hall
	KNLH682	65	Omaha, NB/IA
		412	IA 1 – Mills
		418	IA 7 – Audubon
		419	IA 8 – Monroe
		537	NB 5 – Boone
		542	NB 10 - Cass
	KNLH704	486	MN 5 - Wilkin
		488	MN 7 – Chippewa
		489	MN 8 – Lac qui Parie
	WQCS432	488	MN 7 – Chippewa
		708	WI 1 - Burnett
		709	WI 2 - Bayfield
	WQCS443	486	MN 5 - Wilkin
		488	MN 7 – Chippewa
 		489	MN 8 – Lac qui Parie

### **POPULATION**

Sources: Morgan Stanley, Verizon Wireless Asset Divestitures, at 6-9 (Aug. 11, 2008) and 2002 Census

CMA	Market	POPs
181	Muskegon, MI	197,073
221	Fargo-Moorehead, ND/MN	187,309
246	Dothan, AL	137,916
253	Sioux City, IA/NE	124,130
262	Danville, VA	108,063
267	Sioux Falls, SD	164,967
268	Billings, MT	139,334
276	Grand Forks, ND/MN	96,628
285	Las Cruces, NM	174,682
289	Rapid City, SD	120,666
297	Great Falls, MT	78,186
298	Bismarck, ND	100,351
299	Casper, WY	71,573
313	Alabama 7 – Butler	171,679
322	Arizona 5 – Gila	231,062
341	California 6 - Mono	30,798
351	Colorado 4 – Park	94,427
352	Colorado 5 – Elbert	38,618
353	Colorado 6 – San Miguel	87,552
354	Colorado 7 – Saguache	56,775
355	Colorado 8 – Kiowa	45,552
356	Colorado 9 - Costilla	30,769
419	Iowa 8 – Monona	55,801
427	Iowa 16 – Lyon	103,341
428	Kansas 1 - Cheyenne	24,912
429	Kansas 2 - Norton	27,033
433	Kansas 6 – Wallace	16,928
434	Kansas 7 – Trago	77,621
438	Kansas 11 – Hamilton	92,047
439	Kansas 12 – Hodgeman	48,782
440	Kansas 13 – Edwards	26,747
476	Michigan 5 – Manistee	169,410
478	Michigan 7 – Newaygo	255,329
482	Minnesota 1 – Kittson	49,051
483	Minnesota 2 – Lake of the Woods	65,227
488	Minnesota 7 – Chippewa	177,430

F		
489	Minnesota 8 – Lac qui Parie	64,355
490	Minnesota 9 – Pipestone	130,082
491	Minnesota 10 – Le Sueur	250,351
523	Montana 1 - Lincoln	170,873
524	Montana 2 – Toole	35,228
526	Montana 4 – Daniels	35,796
527	Montana 5 – Mineral	214,454
528	Montana 6 – Deer Lodge	63,156
529	Montana 7 – Fergus	29,860
530	Montana 8 - Beaverhead	117,097
531	Montana 9 - Carbon	32,900
532	Montana 10 – Prairie	18,245
537	Nebraska 5 - Boone	149,780
544	Nevada 2 - Lander	50,637
547	Nevada 5 – White Pine	12,818
553	New Mexico 1 – San Juan	303,155
557	New Mexico 5 – Grant	60,336
558	New Mexico 6 – Lincoln	250,260
580	North Dakota 1 - Divide	95,763
581	North Dakota 2 – Bottineau	54,940
582	North Dakota 3 – Barnes	82,733
583	North Dakota 4 – McKenzie	58,528
584	North Dakota 5 - Kidder	43,502
634	South Dakota 1 - Harding	36,129
635	South Dakota 2 – Corson	22,676
636	South Dakota 3 – McPherson	50,340
637	South Dakota 4 – Marshall	67,366
638	South Dakota 5 – Custer	29,117
639	South Dakota 6 – Haakon	38,508
640	South Dakota 7 – Sully	66,705
641	South Dakota 8 - Kingsbury	71,765
642	South Dakota 9 - Hanson	115,771
650	Tennessee 8 – Johnson	17,499
675	Utah 3 – Juab	65,736
676	Utah 4 – Beaver	130,138
677	Utah 5 – Carbon	82,393
678	Utah 6 – Piute	28,316
681	Virginia 1 – Lee	139,268
688	Virginia 8 - Amelia	91,494
718	Wyoming 1 - Park	50,548
719	Wyoming 2 - Sheridan	86,371
721	Wyoming 4 – Niobrara	141,756
722	Wyoming 5 – Converse	12,781
	Тотац	7,347,295
L		1

### CERTIFICATE OF SERVICE

I, Linda J. Evans, hereby certify that on this 11th day of August, 2009, copies of the foregoing REPLY TO JOINT OPPOSITION TO PETITIONS TO DENY OR TO CONDITION

Best Copy and Printing, Inc. FCC@BCPIWEB.COM

Erin McGrath Mobility Division Wireless Telecommunications Bureau erin.mcgrath@fcc.gov

CONSENT were sent by e-mail, in pdf format, to the following:

Stacy Ferraro
Spectrum and Competition Policy Division
Wireless Telecommunications Bureau
<a href="mailto:stacy.ferraro@fcc.gov">stacy.ferraro@fcc.gov</a>

Linda Ray Broadband Division Wireless Telecommunications Bureau linda.ray@fcc.gov

David Krech Policy Division International Bureau david.krech@fcc.gov

Jim Bird Office of General Counsel jim.bird@fcc.gov

Neil Dellar Office of General Counsel neil.dellar@fcc.gov

Nancy J. Victory Wiley Rein LLP (Attorney for Cellco Partnership d/b/a Verizon Wireless) nvictory@wileyrein.com Michael P. Goggin AT&T Inc. mg7268@att.com

John T. Scott, III Cellco Partnership d/b/a Verizon Wireless john.scott@verizonwireless.com

Peter J. Schildkraut Arnold & Porter LLP (Attorney for AT&T Inc.) peter_schildkraut@aporter.com

Aaron Shainis Shainis & Peltzman, Chartered (Attorney for Chatham Avalon Park Community Council) aaron@s-plaw.com

James L. Winston
The National Association of Black Owned Broadcasters, Inc.
<a href="mailto:jwinston@rwdhc.com">jwinston@rwdhc.com</a>

Mary McDermott NTELOS mcdermottm@ntelos.com

Charles W. McKee Sprint Nextel Corporation charles.w.mckee@sprint.com

Caressa D. Bennet (Attorney for The Rural Telecommunications Group, Inc.) <a href="mailto:cbennet@bennetlaw.com">cbennet@bennetlaw.com</a>

[s] filed electronically

Linda J. Evans